

POLICY ON MORATORIUM DUE TO FINANCIAL STRESS CAUSED BY COVID-19

- In respect of all term loans (that were classified as ‘Standard Accounts’ as on 1st March, 2020), the Company may grant a moratorium for a maximum period of six months on instalments falling due in the months of March, April, May, June, July or August, 2020 [Moratorium Period] at the request of the customer, (request, hereinafter referred to as Customer Request, being made or recognized in the manner specified below).
- A customer may avail moratorium for the whole or a part of the Moratorium Period. That is to say:
 - If the Moratorium was not availed by a Customer for the months of March, April and/or May (‘Moratorium 1.0’), the Customer, being eligible, may avail the same for the months of June, July and/or August, 2020 (‘Moratorium 2.0’).
 - If the Customer has made payment for the month of March, 2020, the Customer may still avail moratorium for all or some of the months during the Moratorium Period.
- For Customer Request, the following shall be the procedure:
 - **Category One:** Customers desirous of availing the moratorium may click the link given in the policy herein displayed on the website or the link in the SMS being sent to the customers, enter the Loan account number and / or the registered mobile number and ascertain the additional amount payable by them to take an informed decision and avail the moratorium. If there are multiple accounts, the customer is advised to enter the loan number and ascertain the additional amount payable for each loan account and the extended tenure of repayment and thereafter opt in or opt out of the moratorium. However, such request from customers shall not be considered retrospectively for availing Moratorium 1.0. For such customers who have explicitly opted for the moratorium, the modified repayment schedule for such customers shall be communicated by the Company. For Category One customers, for such months for which the Customer has availed of the moratorium, the Company shall not encash post-dated cheques or any other electronic payment instructions.
 - **Category Two:** Customers who explicitly communicate their decision not to avail of the moratorium 1.0 & 2.0, shall have opted out of the moratorium. For such customers, the original loan repayment schedule shall prevail and the cheques or mandates as issued by the customers, would be presented to respective banks for collection on respective due dates. However, having explicitly opted out of the moratorium, if the customer subsequently, during the Moratorium Period, decides to avail the moratorium for the remaining months, the Company may prospectively consider such requests too.

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- **Category Three:** The Company is aware that the Company's customer profile consists of customers who may have been incommunicado, either because of disruption, or because of difficulties in reaching out, or otherwise. The Company is aware of the system-wide disruption caused by the crisis, and wishes to be empathetic with its entire customer base. Hence, in absence of any communication, the Company would grant the moratorium to such customers, as the Company becomes aware of the liquidity constraints caused by the crisis for such customers. The Company's awareness may be either by way of feedback from any of the field staff of the Company, say based on verbal interaction with the Customers, or on coming to find that a cheque/electronic payment instruction has been dishonoured or where the due remains unpaid for any particular month. In such cases, the Company shall grant the moratorium for the failed EMI, and for the remaining months of the Moratorium Period and a SMS will be sent to the customer granting a moratorium in line with this Policy. During the moratorium period, the company will not levy any cheque bouncing charges for dishonor of cheques or electronic payment instruction. In such cases, the revised repayment terms/ schedule shall be shared by the Company with the customers electronically or otherwise. In case the customer fails to convey its acceptance on the revised repayment terms, the Company shall consider it as deemed acceptance from the customer. This policy on "deemed moratorium" shall be uniformly applied to all customers , during the Moratorium Period:
- The Company will continue to accept payments made by the Category Three customers who have deemed to have availed the moratorium, to reduce the customer's outstanding liability. In this regard, the Company will continue to present the cheque/electronic payment instruction for payment to respective banks for collection on respective due dates. The company may, without being obliged to do so, encash the same. For the customer not having encashed/honoured the cheque or where he has not remitted the due for the respective month, during the deemed moratorium, no adverse implications shall lie against the customer, including any action u/s 138 of the Negotiable Instrument Act, 1881 or section 25 of Payment and Settlement Systems Act, 2007 or any penalty, cheque bouncing charge or any other consequences for the dishonored cheque or electronic payment instruction. In the meantime, standstill on asset classification shall continue to operate.
- Interest shall continue to accrue during the Moratorium Period. Interest would be computed at the Contracted Rate (the same effective interest rate as is agreed to by the customer in the underlying Loan Agreements entered into with the Company) on the Principal outstanding for the Moratorium Period and compounded every month and the differential amount referred to as "Accreted Principal Outstanding", arising thereto shall be payable by the customer in accordance with the revised repayment schedule.

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- The Tenure for repayment of regular EMIs shall be shifted by as many number of months as the customer is granted moratorium or in accordance with the revised repayment schedule, as agreed between the Company and the customer. The “Accredited Principal Outstanding” is payable by the customer in monthly instalments not exceeding the regular EMI and such instalments shall be payable beyond the number of months shifted on account of the moratorium.
- For those who are availing Moratorium 2.0 as well as Moratorium 1.0, the earlier computation for payment of Accreted Principal Outstanding agreed during Moratorium 1.0 shall stand superseded with the revised repayment schedule, including Moratorium 2.0, as agreed between the Company and the customer.
- Any loan account which is subjudice and / or which is under arbitration and / or those classified as non-performing asset as on 1st March, 2020, shall not be eligible for the moratorium.
- In respect of loans in the nature of working capital, the interest for the six months or the Moratorium Period so eligible shall be compounded month on month and the same may be converted into an Interest Servicing Term Loan. In such a case, the rate of interest applied will be the same as applied to the original loan and the principal and interest thereon shall be paid in equated monthly instalments from Sept 2020 till a period not later than March 2021. Security if any offered to the original loan shall stand extended to the interest servicing term loan too. The revised repayment schedule agreed earlier for Moratorium 1.0 shall stand superseded with the revised terms as mentioned herein above and agreed between the Company and the customer.
- In respect of accounts classified as Standard as on 1st March, 2020, even if overdue, the Moratorium Period, wherever granted in respect of term loans, shall be excluded by the Company from the number of days past-due for the purpose determination of asset classification under IRAC norms. The asset classification of such accounts that are granted moratorium shall be determined on the basis of revised due dates and the revised repayment schedule.
- The Managing Director of the Company is hereby authorised to alter / modify / add / delete such parts of this Policy as he deems appropriate subject however to such alteration(s) / modification(s) / addition(s) / deletion(s) being in compliance with the RBI regulations issued in this regard. All such alteration(s) / modification(s) / addition(s) / deletion(s) shall be submitted to the Board for its ratification.

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- The moratorium/deferment/recalculation will not be treated as restructuring or concession or change in terms and conditions of loan agreements due to financial difficulty of the customer under regulations of RBI, accounting standards, any applicable regulation and thus shall not result in asset classification downgrade.
- The deferment of payment due to grant of moratorium shall not be considered as a default in statutory reporting and sharing of information to credit information companies.
- The Company shall also develop MIS on the relief provided to its borrowers which shall inter-alia include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted in respect of borrowers for whom the exposure is Rs.5 Crores and above as on March 1, 2020.
- The Company has securitized/assigned its loan receivables to SPVs/Banks/Trustees/Institutions and the Company is appointed as servicer for collection of instalments from the customers and remittance of the same to SPVs/Banks/Trustees/Institutions/others. Hence, the Company will seek consent and obtain approval from the concerned Trusts/Banks/institutions for grant of moratorium for the purpose of securitization/assignment instalments/amounts falling due during the Moratorium Period.
- The Key Management personnel of the Company shall ensure that the above instructions are properly communicated down the line for implementation to all the operations and branch executives of the Company. The above Policy is an integral part of the existing Loan/Credit Policy of the Company.
- This Policy shall be displayed on the web site of the Company www.shriramcity.in